

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Scottville Post Office
Scottville, Illinois 62683

Docket No. A2012-47

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(December 27, 2011)

On October 31, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked October 26, 2011, from postal customer Mark Keeney, Mayor (Petitioner) objecting to the discontinuance of the Post Office at Scottville, Illinois. Enclosed with the Petitioner's appeal was a customer petition with 143 signatures. The Commission received no additional written communications. On November 16, 2011, the Commission issued Order No. 970, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 970, the administrative record was filed with the Commission on November 15, 2011.

The appeal received by the Commission on October 31, 2011 raises three main issues: (1) the effect on postal services, (2) the effect on the community, and (3) the calculation of economic savings expected to result from discontinuing the Scottville Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal

Service's statutory obligations and Commission precedent,¹ the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Scottville Post Office should be affirmed.

Background

The Final Determination to Close the Scottville, IL Post Office and Extend Service by Rural Route Service (FD), as well as the administrative record, indicate that the Scottville Post Office provides EAS-55 level service to 33 Post Office Box or general delivery customers, and retail customers 18.5 hours per week. FD at 1; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1.² The postmaster position became vacant when the postmaster of the Scottville Post Office retired on July 31, 2007. An officer-in-charge (OIC) has been installed to operate the office. Upon implementation of the final determination, the noncareer postmaster relief (PMR) may be separated from the Postal Service, if he cannot be assigned to a nearby facility. FD at 1, 8; Item No. 21, Letter to Postal Service Customer from Manager, Post Office Operations ("Letter to Customer"), at 1; Item No. 33, Proposal to Close the Scottville, IL Post Office and Extend Service by Rural Route Service ("Proposal"), at 7. The average number of daily retail window transactions at the Scottville Post Office is 24. Office receipts were \$8,617 in FY 2008 (22 revenue units); \$7,523 in FY 2009 (20 revenue units); and \$9,712 in FY 2010 (25 revenue units). The

¹ See 39 U.S.C. 404(d)(2)(A).

² In these comments, specific items in the administrative record are referred to as "Item ____."

Scottville Post Office has no meter or permit customers. FD at 1; Item No. 18, Fact Sheet, at 1; Item No. 33, Proposal, at 2.

Upon implementation of the final determination, delivery and retail services will be provided by the Modesto Post Office, an EAS-13 level office with 90 available Post Office boxes, located about six miles away. FD at 1; Fact Sheet, at 1; Proposal at 2.³

The Postal Service followed the proper procedures, which led to the posting of the FD. All issues raised by the customers of the Scottville Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Scottville Post Office. Questionnaires were also available over the counter for retail customers at Scottville. FD at 1; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Scottville Post Office, at 1. A letter from the Manager of Post Office Operations, St. Louis, MO was also made available to postal customers. The letter advised customers that the Postal Service was evaluating whether the continued operation of the Scottville Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Modesto Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change

³ Since the posting of the FD, the OIC resigned, and the Scottville Post Office was temporarily suspended. The suspension is necessary in the absence of employees to run the facility; however, its suspension is not tantamount to a permanent discontinuance, which is the subject of this appeal. The Modesto Post Office is not one of the candidate facilities for closure under the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1.

involving Rural Route delivery. Item No. 21, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22, and Postal Service analysis of the questionnaire responses is included as Item No. 23. In addition, representatives from the Postal Service were available at the Scottville Post Office for a community meeting on June 1, 2011, to answer questions and provide information to customers.⁴ Customers received formal notice of the Proposal and FD through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Scottville Post Office and the Modesto Post Office from June 21, 2011 to August 22, 2011. FD at 1. The FD was posted at the same two Post Offices from September 27 to October 29, 2011, as confirmed by the round-dated FD cover sheets for Scottville and Modesto that appear in the administrative record.

In light of a postmaster vacancy, a minimal workload, low revenue, the variety of delivery and retail options (including the convenience of rural carrier delivery and retail service from Modesto), minimal impact upon the community, and the expected financial savings, the Postal Service issued the FD. Regular and effective postal services will continue to be provided to the Scottville community in a cost-effective manner upon implementation of the final determination. FD at 1-6, 8.

⁴ FD at 1; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal, at 2, 6-7. This discontinuance action was processed under former Handbook PO-101, rather than the new (RAOI) version of the handbook.

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Scottville Post Office on postal services provided to Scottville customers. The closing is premised upon providing regular and effective postal services to Scottville customers.

The Petitioner, in his letter of appeal and the attached petition, raises the issue of the effect on postal services of the Scottville Post Office's closing, noting that rural delivery raises questions about the sanctity of the mail and risks when non-career employees handle the mail. The Petitioner expresses particular concern about purchasing stamps and money orders, and the sending and receipt of accountable mail. Each of these concerns has been considered by the Postal Service. Mail security is protected through the use of locks. The Stamps by Mail Program provides purchase and delivery of stamps directly through the carrier, without the need to visit a Post Office. Customers may purchase money orders by meeting the carrier at their mailbox. Accountable mail also may be purchased and received through the carrier.⁵

⁵ See, e.g., FD at 2 (Concern 11 – mail security), 3-4 (Concern 12 – purchasing postal money orders, accountable mail; Concern 16 – quality of rural carrier service), 6 (Concern 9 – mail security).

The Postal Service determines postmaster level and Post Office service hours by analyzing the workload of a Post Office. The Scottville office qualifies as an EAS-55 office based on service to 33 Post Office boxes. FD at 1; Item No. 9, Worksheet for Calculating Workload Service Credit. The Scottville Post Office has an average of 24 daily retail window transactions. Item No. 10, Window Transaction Survey. Upon the implementation of the final determination, delivery and retail services will be provided by rural route delivery emanating from the Modesto Post Office. The window service hours of this Post Office are from 11 a.m. to 2:30 p.m., Monday through Friday and 11 a.m. to 12 noon on Saturday. FD at 1. Carriers can provide retail services along their routes. In addition, customers opting for carrier service will have 24-hour access to their mail. FD at 2, 5.

Petitioners in this appeal question the consistency of this proposal with statutory authority in Title 39. Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service in determining whether to close a Post Office must consider whether such closing is consistent with the policy that the Postal Service provide “a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining.” The Postal Service's view is that the "maximum degree" obligation in section 101(b) must be read in the context of related statutory provisions. Section 101(b) recognizes that special consideration must be given to the greater likelihood of dependence on postal retail facilities for access to postal products and services in rural communities and small towns; however, this concern must be balanced with Congressional mandates that the Postal Service

execute its mission efficiently and economically. See sections 101(a); 403(a), (b)(1) and (b)(3); 404(d)(2) and 3661(a). Here, the Postal Service analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

Effect Upon the Scottville Community

The Postal Service is obligated to consider the effect of its decision to close the Scottville Post Office upon the Scottville community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Scottville is an incorporated community located in Macoupin County. The Macoupin County Sheriff provides police protection. The community is administered politically by the Village of Scottville, with fire protection provided by the Scottville Modesto Rural Fire Protection District. FD at 5; Item No. 33, Proposal at 6. After consideration of the questionnaires completed by Scottville customers, concerns expressed at the community meeting, and a petition from customers (attached to the Appeal), the Postal Service responded to the concerns. The effect of the closing of the Scottville Post Office upon the Scottville community was extensively considered by the Postal Service, as reflected in the administrative record. See FD at 5-6; Item No. 22,

Returned customer questionnaires and Postal Service response letters; Item No. 25, Community Meeting Analysis.

Petitioner states that the discontinuance of the Scottville Post Office will result in a loss of community identity. The Postal Service has mitigated this concern by allowing continued use of Scottville in addresses and in the National Five-Digit ZIP Code and Post Office Directory. The Postal Service further explained that a community's identity derives from the interest and vitality of its residents and their use of its name.

Communities generally require regular and effective postal services, and these will continue to be provided to the Scottville community. FD at 2-3, 5-6. In addition, the Postal Service has concluded that nonpostal services provided by the Scottville Post Office can be provided by the Modesto Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 5.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Scottville Post Office on the community served by the Scottville Post Office.

Economic Savings

Postal officials properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Scottville Post Office, and would still provide

regular and effective service. Item No. 21, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the Scottville Post Office are \$30,644. This cost savings includes additional cost for replacement services (rural delivery). FD at 7; Item No. 33, Proposal, at 7.

The Petitioner also challenges the extent of cost savings from closing the Scottville Post Office. The Petitioner's appeal argues that the clerk in charge of the replacement facility will be earning as much as the retired postmaster. However, the economic savings calculation conducted as a part of a discontinuance study is forward-looking. While the Postal Service may have paid less in salary and benefits over the past years does not mean that it could count on those savings in the future. If the Scottville Post Office closes, one career slot will be eliminated. If the Post Office is not discontinued, that slot would have been filled with a career employee, and the salary and benefits to be paid would be as shown for a postmaster.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD at 7; Item No. 33, Proposal, at 7.

The Postal Service has determined that carrier service is more effective than maintaining the Scottville postal facility and postmaster position. FD at 8. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the

economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster position became vacant when the postmaster retired on March 3, 2009. An officer-in-charge (OIC) has been installed to operate the office. Upon implementation of the final determination, the FD explains that a noncareer postmaster relief (PMR) may continue to work other scheduled hours in surrounding Post Offices, or may be separated from the Postal Service. The record shows that no other employee would be affected by this closing. Item No. 15, Post Office Survey Sheet, at 1; Item No. 33, Proposal, at 2, 8; FD at 7. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Scottville Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Scottville Post Office on the provision of postal services and on the Scottville community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Scottville customers. FD at 1-4. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Scottville Post Office should, accordingly, be affirmed.

The Postal Service therefore respectfully requests that the determination to close the Scottville Post Office be affirmed.

Respectfully submitted,

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